Please reconsider the application in view of the above amendments and the following

remarks. Claims 1 to 20 remain in this application. Applicants have amended paragraph 0001 of

the specification and the drawings in response to the objections of the examiner.

Information Disclosure Statement:

The examiner has objected to the Information Disclosure Statement filed 12th December

2003 as failing to comply with 37 CFR 1.98 (a) (2), which requires a legible copy of each foreign

patent document to be filed. The applicant herewith files a copy of the Information Disclosure

Statement with copies of each of the foreign patent documents attached. The applicant asks that

the Examiner acknowledge that the information contained therein has been considered.

Drawings

The Examiner objected to the drawings as failing to comply with 37 CFR 1.84(p)(5)

because they include the following reference sign mentioned in the description: 215."

Applicants have amended Figure 2B of the specification to include the reference number 205

rather than 215, 205 appears in the description. No new matter has been added by way of this

amendment. Applicants respectfully submit that this amendment obviates the objection.

Page 7 of 16

Specification

The Examiner objected to the abstract as being a single run-on sentence. Applicant has amended the abstract to form a clear sentence. Applicant believes this amendment obviates the objection.

Rejection(s) under 35 U.S.C § 102 - Hahn

Claims 1, 2, 4, 7, 14, 15 and 17-20 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Hahn et al. (US 6,419,003). This rejection is respectfully traversed.

Claim 1 of the current application recites a directional casing drilling system, which comprises: a casing string; a mud motor operatively coupled to the casing string; a rotary steerable system which is operatively coupled to the mud motor; and a drill bit which is operatively coupled to the rotary steerable system. Hahn et al does not teach the limitation of claim 1. The Office Action suggests that Hahn teaches a mud motor 149 operatively coupled to a casing string 112. While 112 is indeed a casing, it is merely provided at an upper portion of the wellbore 110 and is separated from the mud motor by a lower section 114, the lower section 114 is of a smaller diameter than the casing 112. The casing can, therefore, not be said to operatively coupled to the mud motor, it is, in fact, separated by, up to, many thousands of feet of lower section 114. (See column 3 lines 1 to 5). Therefore Hahn at al fails to teach the limitations of Claim 1 of the current invention and is distinguishable for at least this reason.

Claim 14 of the current application recites: a method of directional drilling comprising rotating a casing string at a first speed that is slower than an optimum drilling speed; operating a mud motor to rotate a drill bit at a second speed; and changing the direction of the drill bit by operating a rotary steerable system. The cited art fails to teach all the limitations of claim 14.

Hahn et al does not teach the limitation of claim 14. The office action suggests that the

drilling string is rotated at a first speed. Hahn et al does disclose the rotation of the drillstring.

However the applicant refers to arguments above relating to the separation between the casing

112 and the remainder of the assembly, it is thus not clear and inherent from Hahn et al that the

casing 112 is rotated at the defined speed nor is it inherently taught that the speed is slower than

an optimum drilling speed.

The Examiner further suggests that the "casing" would inherently rotate at a speed slower

than that of the mud motor due to friction imparted on the "casing". This is speculation on the

part of the examiner and not inherently taught by Hahn et al where no mention is made of the

relative speeds of the integers. Therefore, Hahn at al fails to teach the limitations of Claim 14 of

the current invention and is distinguishable for at least this reason.

Claim 15 of the current application is dependent upon claim 14 and the applicant

therefore submits that it is distinguishable over Hahn et al for at least the reasons given in the

paragraph relating to claim 14 above. In addition Claim 15 adds the further limitation that the

method further comprises enlarging a pilot hole drilled by the drill bit using an underreamer

coupled to the casing string. Hahn teaches that the underreamer 132 is attached at a distance

from the casing 112 and therefore could not be said to be coupled to the casing string. Therefore

Hahn at al fails to teach the limitations of Claim 15 of the current invention and is

distinguishable for at least this reason.

Claim 17 of the current application is dependent upon claim 14 and the applicant

therefore submits that it is distinguishable over Hahn et al for at least the reasons given in the

paragraph relating to claim 14 above.

Page 9 of 16

Claim 18 of the current application recites the limitation of providing a method of

directional casing drilling, comprising: positioning a casing string so that a bend in a lower

section of the casing string points in a desired azimuthal direction; and engaging a mud motor to

rotate a drill bit. Hahn et al teaches altering the drilling direction by means of activating the

steering devices. Column 4 line 47. However Hahn et al does not suggest that the casing string

112 in positioned such that a bend in a lower section points in a desired azimuthal direction.

Therefore Hahn at al fails to teach the limitations of Claim 18 of the current invention and is

distinguishable for at least this reason.

Claims 19 and 20 are dependent upon claim 17 and therefore incorporate the limitations

of that claim. Claims 19 and 20 are thus distinguishable over Hahn et al for at least the reasons

given in the paragraphs relating to claim 18 above.

Rejection(s) under 35 U.S.C § 102 - Chen

Claims 1-3,5-9,11-16 and 18 stand rejected under 35 U.S.C. § 102(e) as being anticipated

by Chen et al. (US 6,877,570). This rejection is respectfully traversed.

Claim 1 recites a directional casing drilling system, which comprises: a casing string; a

mud motor operatively coupled to the casing string; a rotary steerable system which is

operatively coupled to the mud motor; and a drill bit which is operatively coupled to the rotary

steerable system. Chen does not teach the limitation of the current claim 1. The office action

suggests that Chen teaches a casing string 12 with a mud motor 14 operatively coupled to the

casing string. It also suggests that a rotary steerable system 26 is provided operatively coupled

to the mud motor. 26 is, in fact, a lower bearing section. See column 3 line 33 and column 3 line

47. Column 3, line 47 reads: "The lower bearing section 26 includes a bearing package

Page 10 of 16

considered to be a rotary steerable system as claimed in the current claim 1 and claims dependent

therefrom. Therefore, Chen et al fails to teach the limitations of Claim 1 of the current invention

and is distinguishable for at least this reason.

Claims 2, 3 and 5-7 are dependent upon claim 1 and therefore incorporate the limitations

of that claim. Claims 2, 3 and 5-7 are thus distinguishable over Chen et al for at least the reasons

given in the paragraphs relating to claim 1 above.

Claim 8 recites the following limitations: a directional casing drilling system comprising

a casing string having an integral bend proximate a lower end of the casing string; a mud motor

operatively coupled to the casing string; and a drill bit operatively coupled to the mud motor.

Chen et al fails to teach the limitations of claim 8 of the current invention and is distinguishable

for at least this reason.

The office action states that Chen et al teaches a casing string 12 having an integral bend

proximate a lower end thereof and refers to column 3 lines 10 to 12. However this lines refer to

"a fluid powered downhole motor 14 with a bend for rotating a bit" it is therefore not the casing

string with the bend but the motor. Claim 8 recites the limitation of a casing string having a

bend, this is not taught by Chen et al.

Claims 9, 11, 12 and 13 are dependent upon claim 8 and therefore incorporate the

limitations of that claim. Claims 9, 11, 12 and 13 are thus distinguishable over Chen et al for at

least the reasons given in the paragraphs relating to claim 8 above.

Claim 14 of the current application recites: a method of directional drilling comprising

rotating a casing string at a first speed that is slower than an optimum drilling speed; and

Page 11 of 16

operating a mud motor to rotate a drill bit at a second speed; and changing the direction of the

drill bit by operating a rotary steerable system. Chen et al does not teach the limitations of claim

14.

The office action suggests that the drilling string is rotated at a first speed. Chen et al

does disclose the rotation of the drillstring. However it is neither disclosed nor suggested that

the speed is slower than an optimum drilling speed it is merely disclosed that it is desirable to

rotate the drillstring. Column 3, line 16. For at least this reason therefore claim 14 is

distinguishable over Chen et al.

Claim 15 of the current application is dependent upon claim 14 and the applicant

therefore submits that it is distinguishable over Chen et al for at least the reasons given in the

paragraph relating to claim 14 above.

Claim 18 of the current application recites the limitation of providing a method of

directional casing drilling, comprising: positioning a casing string so that a bend in a lower

section of the casing string points in a desired azimuthal direction; and engaging a mud motor to

rotate a drill bit. Chen et al does not disclose nor suggest that there is a bend present in the lower

section of the casing string; it teaches that the bend is in the mud motor. Therefore Chen at al

fails to teach the limitations of Claim 18 of the current invention and is distinguishable for at

least this reason.

Claim Rejections 35 U.S.C. § 103

Claim 10 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Hahn et al.

in view of Parant (US 4,842,081) and Chen in view of Parant. This rejection is respectfully

Page 12 of 16

traversed. Applicant submits that the Examiner has failed to establish a prima facie case of obviousness.

Claim 10 is dependent on claim 8 and therefore, in effect, recites: A directional casing drilling system comprising: a casing string having an integral bend proximate a lower end of the casing string; with a mud motor operatively coupled to the casing string; and having a drill bit operatively coupled to the mud motor wherein the mud motor is disposed inside the lower end of

the casing string.

As stated above the Office Action suggests that Hahn teaches a mud motor 149 operatively coupled to a casing string 112 whereas, although 112 is indeed a casing, it is merely provided at an upper portion of the wellbore 110 and is separated from the mud motor by a lower section 114, the lower section 114 is of a smaller diameter than the casing 112. The casing can therefore not be said to operatively coupled to the mud motor, it is, in fact, separated by, up to, many thousands of feet of lower section 114. (See column 3 lines 1 to 5 of Hahn et al) Therefore, Hahn at al fails to provide any disclosure of Claim 10 of the current invention and is distinguishable for at least this reason. Further Parant relates to the field of horizontal or vertical drilling whereas Hahn relates to steerable or controlled directional drilling. The field of horizontal or vertical drilling does not require a steerable system to be provided. One skilled in the art to which the invention relates would therefore not look to the field of horizontal or vertical, that is, non-controlled or directional drilling with any expectation of success in finding any design solutions. There is no motivation to combine the cited references.

Moreover, one of skill in the art would not be motivated to combine the apparatus of Hahn with a non-controlled or directional tool, such as the drill tool described by Parant. In fact,

such a combination would destroy the function of Hahn et el and ignore those portions of Hahn

et el that teach away from such a combination. See Column 5 lines 1 to 21 in which controlled

or directional drilling is described. The proposed combination set forth in the Office Action uses

improper hindsight reconstruction, selective dissection and unsupported assumptions in an

attempt to generate Applicant's claimed invention.

There is also no motivation to combine Parant with Chen to achieve Applicant's

invention. Parant relates to the field of horizontal or vertical drilling whereas Chen et al. relates

to steerable or controlled directional drilling. The field of horizontal or vertical drilling does not

require a steerable system to be provided. One skilled in the art to which the invention relates

would therefore not look to the field of horizontal or vertical, that is, non-controlled or non-

directional drilling with any expectation of success in finding any design solutions. Thus, there

is no motivation to combine the cited references. One of skill in the art would not be motivated

to combine the apparatus of Chen et el with a non-directional tool, such as the drill tool described

by Parant. The proposed combination set forth in the Office Action uses improper hindsight

reconstruction, selective dissection and unsupported assumptions in an attempt to generate

Applicant's claimed invention.

For at least these reasons, Applicant submits that the Examiner has failed to establish a

prima facie case of obviousness under 35 U.S.C. § 103 (a) based on the cited art alone or in

combination. Applicant, therefore, respectfully requests withdrawal of the rejection of the

claims under 35 U.S.C. § 103.

Page 14 of 16

Double Patenting

Claims 1-4, 6, 7, and 14 stand rejected under the judicially created doctrine of obvious-type double patenting as being unpatentable over claims 1-13 of co pending application 10/735,312. The office action refers to this application as standing in the name of Hahn et al. However, this co-pending application is in fact commonly owned with this application and in fact is in the name of Moriarty. The applicant submits herewith a terminal disclaimer in compliance with 37 CFR 1.321(c) and submits that this rejection is hereby obviated.

Applicant respectfully requests that a timely Notice of Allowance be issued in this case. Applicant believes this reply to be fully responsive to all outstanding issues and place this application in condition for allowance. If this belief is incorrect, or other issues arise, do not hesitate to contact the undersigned at the telephone number listed below.

This paper is submitted in response to the Office Action dated July 26, 2005 for which the three-month date for response is October 26th 2005. A request for a two (2) month extension of the time to respond to the Official Action is hereby made, bringing the date for response to December 26th, 2005. Please apply any charges not covered, such as the two-month extension fee and terminal disclaimer fee, or any credits, to Deposit Account 50-2898 (Reference Number 92.1048).

Appl. No. 10/735,323 Amd. Dated December 8, 2005

Reply to Office Action Dated July 26th, 2005

Respectfully submitted,

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Attachments:

1. Replacement Sheet 3 including Figure 2B;

- 2. Version with Markings to Show Changes Made to Figure 2B;
- 3. Information Disclosure Statement with 8 non-US References attached; and
- 4. A Terminal Disclaimer.

Amendments to the Drawings:

The attached sheet 3 of the drawings includes changes to Fig. 2B. This sheet, which

includes Figs. 2A and 2B as well, replaces the original sheet 3 including Figs. 2A, 2B and 2C. In

Fig. 2B, the reference numeral 215 has been replaced by 205. No new matter is added by this

amendment.

Attachment: Replacement Drawing Sheet 3 showing amended Figure 2B

Annotated Sheet 3 Showing Changes to Figure 2B in Redline.

Page 6 of 16

